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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11
: :
CELSIUS NETWORK LLC, et al.,¹ : Case No. 22-10964 (MG)
: :
Debtors. : (Jointly Administered)
: :
-----X

**PROPOSED SECURITIES LITIGATION LEAD PLAINTIFFS' STATEMENT AND
RESERVATION OF RIGHTS WITH RESPECT TO MOTION OF THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS (I) FOR AUTHORITY TO FILE A
CLASS CLAIM ASSERTING NON-CONTRACT CLAIMS ON BEHALF OF ACCOUNT
HOLDERS OR (II) TO APPOINT A THIRD-PARTY FIDUCIARY TO ASSERT A
CLASS CLAIM ON BEHALF OF ACCOUNT HOLDERS**

The proposed lead plaintiffs ("Proposed Lead Plaintiffs")² in the federal securities class action captioned as *Goines v. Celsius Network, LLC, et al.*, Case No. 2:22-cv-04560-KM-ESK (the "Securities Litigation"), pending in the United States District Court for the District of New Jersey, on behalf of themselves and the putative class they seek to represent in the Securities Litigation (the "Proposed Class"), hereby submit this statement and reservation of rights (the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

² Proposed Lead Plaintiffs are Zack Kaplan, Michael Kaplan, Eli Kaplan, Ben Kaplan and Michael Mazzotta.

“Statement”) with respect to the *Motion of the Official Committee of Unsecured Creditors (I) for Authority to File a Class Claim Asserting Non-Contract Claims on Behalf of Account Holders or (II) To Appoint a Third-Party Fiduciary to Assert a Class Claim on Behalf of Account Holders* (the “Motion”) [Docket No. 2399]. In support of this Statement, Proposed Lead Plaintiffs respectfully state as follows:

RELEVANT BACKGROUND

1. The Securities Litigation is a federal securities class action filed on July 13, 2022 against Celsius Network, LLC, Celsius Lending, LLC, Celsius Keyfi LLC, Alexander Mashinsky, Shlomi “Daniel” Leon, David Barse, and Alan Jeffrey Carr (collectively, the “Defendants”). As a consequence of the filing of these chapter 11 cases, the derivative litigation is stayed solely as to the three Debtor Defendants. By motion dated September 13, 2022 [Securities Litigation Docket No. 16], Proposed Lead Plaintiffs sought appointment of themselves as lead plaintiffs and Scott+Scott Attorneys at Law LLP (“Scott+Scott”) and Radice Law Firm (“Radice”) as Lead and Liaison Counsel, respectively, in the Securities Litigation. That motion remains pending.

2. The complaint filed in the Securities Litigation (the “Complaint”) asserts claims on behalf of the Proposed Class, comprised of all persons, other than the Defendants, who purchased Celsius financial products by way of a Celsius Earn Rewards Account, CEL tokens, and/or Celsius loans from February 9, 2018 to the July 13, 2022.

3. The Complaint generally alleges that the Defendants violated sections 5 and 12(a)(1) of the Securities Act of 1933 (the “Securities Act”); Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §78j(b), and Rule 10b-5(b) promulgated thereunder, 17 C.F.R. §240.10b-5(b); Section 20(a) of the Securities Act; and Section 15 of the Securities Act, as well as claims for unjust enrichment / restitution and a declaratory judgment.

4. Proposed Lead Plaintiffs filed proofs of claim on behalf of the Proposed Class against the relevant Debtors [Claim Nos. 20580, 20582, and 20593].

STATEMENT

5. Proposed Lead Plaintiffs do not object to the Motion as a general matter. However, to avoid any ambiguity, any order granting the relief sought in the Motion should expressly provide that (a) the Committee is not being granted standing to assert claims against any party other than the Debtors; (b) no claims asserted now or hereafter in the Securities Litigation constitute “Class Claims” (as defined in the Motion), and (c) the rights of all creditors and other parties in interest to object to any Class Claims filed pursuant to the Motion, as well as to any other relief sought in connection therewith, including but not limited to any motion to apply Bankruptcy Rule 7023 to the Class Claims and/or certify a class for any purpose in connection with the Class Claims, are fully preserved.

RESERVATION OF RIGHTS

6. The Proposed Class reserves the right to object to the Motion or any additional or related relief on any other basis, whether or not identified.

[*signature page follows*]

Dated: April 14, 2023

Respectfully submitted,

/s/ Michael S. Etkin

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